

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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COMMISSION

In the Matter of:

**INVESTIGATION INTO THE)
MEMBERSHIP OF LOUISVILLE)
GAS AND ELECTRIC COMPANY)
AND KENTUCKY UTILITIES)
COMPANY IN THE MIDWEST)
INDEPENDENT TRANSMISSION)
SYSTEM OPERATOR)**

CASE NO. 2003-00266

**PETITION OF LOUISVILLE GAS AND ELECTRIC COMPANY
AND KENTUCKY UTILITIES COMPANY
FOR CONFIDENTIAL PROTECTION**

Louisville Gas and Electric Company (“LG&E”) and Kentucky Utilities Company (“KU”) (collectively, “the Companies”) petition the Kentucky Public Service Commission (“Commission”) pursuant to 807 KAR 5:001 § 7 to grant confidential protection to information the Companies are providing on the attached CD-ROM disc. This information is responsive to two data requests submitted by the Midwest Independent Transmission System Operator, Inc. (“MISO”) on October 6, 2004. The Companies do not object to making this confidential information available to MISO under the terms of the existing confidentiality agreement between MISO and the Companies. The Companies also do not object to making this information available to the other intervenors in this case if they are willing to execute the necessary confidentiality agreements. The Companies’ bases for requesting confidential protection are as follows:

MISO’s 10/6/04 Data Request No. 1

1. In connection with the Commission’s reopening of this investigation, the Companies undertook both in-house and independent modeling efforts to provide the Commission with the Supplemental Cost-Benefit Study submitted as Exhibit MJM-2 to Mat J.

Morey's supplemental testimony, filed September 29, 2004. With respect to the Companies' modeling efforts using the PROSYM software package, the Companies request that the Commission grant confidential treatment to fourteen PROSYM input files. The information contained in these files is proprietary and would place the Companies at a competitive disadvantage in the wholesale power market if it were publicly disclosed. The files contain fuel price forecasts, forced outage projections, market price forecasts, transaction forecasts, and maintenance schedule projections. Additionally, three of these files contain hourly load forecast data. Although the Commission denied the Companies' requests to protect as confidential the monthly load forecasts the Companies provided in Administrative Case No. 387, the Companies submit that hourly load forecasts are much more commercially sensitive on real-time and day-ahead bases, and must remain confidential if the wholesale power market is to remain competitive and the Companies are to continue to compete for wholesale sales and purchase wholesale power at competitive prices. Disclosure of any or all of this information would provide suppliers with the Companies' expectations about the price of supplies in the future and would allow suppliers to take advantage of the Companies' solicitations by increasing their bids to the maximum extent possible, thereby causing higher prices for the Companies' customers, and would give commercial advantages to the Companies' competitors.

2. For the same reasons cited in Paragraph 1 above, the Companies also request confidential treatment of an Excel spreadsheet containing a customized fuel price forecast that Hill & Associates developed exclusively for the Companies' use. This information is not on file with the Federal Energy Regulatory Commission, the Securities and Exchange Commission or other public agencies. Distribution of the information within the Companies is limited to those employees who have a business reason to have access to the information. This is because the

fuel price forecast is highly commercially sensitive information that, if made publicly available, would allow the Companies' competitors to know in advance how the Companies are likely to price their energy in the wholesale market.

MISO's 10/6/04 Data Request No. 18

3. MISO's Data Request No. 18 asks the Companies to catalog the costs they have incurred and plan to incur to participate in the MISO Day 2 markets.

4. One item the Companies are providing in response to MISO's request is an excerpt from the Companies' "Energy Marketing Business Information Strategic Plan 2004-2008." The information contained therein details the various hardware and software systems the Companies are employing and will employ to participate in the MISO Day 2 markets, both in terms of simply communicating trading information with the market and in terms of market simulation and strategy to help the Companies' traders make the best trading decisions. Allowing this information to become publicly available will give the Companies' competitors -- particularly those entities that will participate in the Day 2 markets -- a marked competitive advantage, as they will know, by learning what tools the Companies will use to make market decisions, what the Companies' market decisions are likely to be. The Companies therefore request confidential treatment of this information.

5. The Companies also request confidential treatment for its Energy Marketing Investment Proposal submitted in response to MISO's Data Request No. 18. This information is commercially sensitive for the same reasons described in Paragraph 4 above, but also because the Investment Proposal details precisely why certain tools should be preferred to others, i.e., a thorough analysis of various software and hardware options, as well as corporate goals to be achieved by the proposed investment. The commercial sensitivity and proprietary nature of this information necessitate confidential treatment thereof.

6. KRS 61.878(1)(c) protects commercial information, generally recognized as confidential or proprietary, if its public disclosure would cause competitive injury to the disclosing entity. Competitive injury occurs when disclosure of the information would give competitors an unfair business advantage. The information described in the paragraphs above and contained on the attached CD-ROM is such competitive and proprietary information, and is therefore being submitted with a request for confidential treatment.

7. In accordance with the provisions of 807 KAR 5:001 § 7, one copy of the Companies' responses to MISO's 10/6/04 data requests with the confidential information segregated onto the attached CD-ROM and ten (10) copies of this petition are herewith filed with the Commission.

WHEREFORE, Louisville Gas and Electric Company and Kentucky Utilities Company respectfully request that the Commission grant confidential protection, or in the alternative, schedule an evidentiary hearing on all factual issues.

Dated: October 20, 2004

Respectfully submitted,



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CERTIFICATE OF SERVICE

I hereby certify that a true copy of the foregoing Petition for Confidential Protection was served via U.S. mail, first-class, postage prepaid, this 20th day of October 2004, upon the following persons:

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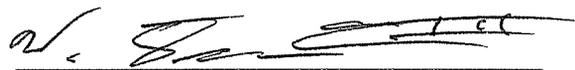
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